

SUMMARY OF REQUIRED FILINGS

DUE IN 2012 FROM

PREPAID HEALTH CLINICS



OFFICE OF INSURANCE REGULATION

LIFE AND HEALTH FINANCIAL OVERSIGHT

November 30, 2011

MEMORANDUM

TO: All authorized Prepaid Health Clinics

FROM: Toma Wilkerson
Director
Life and Health Financial Oversight

DATE: November 30, 2011

SUBJECT: Filing Requirements

Please file the financial statements and related filings electronically through REFS. Enclosed are the instructions for the annual statement and related financial reporting filings due in 2012. As you know, annual reports are due 90 days from the end of your fiscal year. The quarterly filings are due 45 days from the end of the quarter-closing date.

Annual and quarterly report forms have been created in REFS that will replace the NAIC health blanks. The company will find it very helpful to continue to use the Health Blank Instructions adopted by the National Association of Insurance Commissioners (NAIC) for guidance on what should be recorded on each line. NAIC Health Annual and Quarterly Statement Instructions are available through the NAIC and may be ordered by phoning the Publication Department at (816) 783-8300. Please be advised that these instructions are provided for the purpose of reference only and are not intended to alter, amend, or replace statutory requirements.

To use REFS please go to www.floir.com website and click on the "Company Filing" tab at the top and then the Industry Portal link. Then choose Regulatory Electronic Filing System from the "Pick a Category" list. The user Guide and Tutorial are available at <http://www.floir.com/office/OnlineApplications/REFSindex.aspx> and can be accessed from the floir.com home page by clicking on the "Company Filing" tab and then the Required Forms, Filing and Reporting link. Please use the tutorial prior to using REFS for the first time.

We hope that this assists in your management of the filings.

Questions may be referred to:

Kotenia Lowe
Financial Specialist
Florida Office of Insurance Regulation
Life and Health Financial Oversight
200 E. Gaines St., Tallahassee, FL 32399-0327
E-Mail: Kotenia.Lowe@floir.com
Telephone Number: (850) 413-5013

FILING REQUIREMENTS INSTRUCTIONS: QUESTIONS & ANSWERS

1. **The instructions indicate that the deadlines for filing statements are within 90 days of the fiscal year ending date, and within 45 days of the quarter-ending date. Do they have to be received by the Office of Insurance Regulation (Office) on that due date, or postmarked by these dates?**

The applicable financial statement must be electronically submitted through the Regulatory Electronic Filing System (“REFS”) no later than 5pm on the indicated due date. If the due date falls on a weekend or holiday, then the deadline is the next business day following the original due date.

2. **Where do I go to find REFS and the new financial statement forms?**

To use REFS please go to www.floir.com website and click on the “Company Filing” tab at the top and then the Industry Portal link. Then choose Regulatory Electronic Filing System from the “Pick a Category” list. The user Guide and Tutorial are available at <http://www.floir.com/office/OnlineApplications/REFSindex.aspx> and can be accessed from the floir.com home page by clicking on the “Company Filing” tab and then the Required Forms, Filing and Reporting link.

3. **If a filing requirement deadline falls on a weekend or holiday when is the filing due?**

The deadline would be moved to the first business day following the original deadline.

4. **Will companies submitting statements late be fined?**

Yes. Furthermore, failure to timely file statements is grounds for suspension of the company's Certificate of Authority.

5. **How do I submit my check for the annual filing fee?**

The check should be attached to a letter identifying the regulated entity with the purpose of the check stated in the letter (filing fee pursuant to Section 641.412(1)(b), F.S.) and should be submitted to the Florida Department of Financial Services, Revenue Processing Section, P.O. Box 6100, Tallahassee, FL 32314-6100. A copy of the letter and check should be uploaded in REFS.

6. **If the PHC does not have anything to report on a schedule or exhibit of the financial report, should the page be included in the report?**

Yes, the page should be filed with “NONE” written on it.

7. **I have read the entire package but I still have questions regarding financial filings and/or solvency requirements (vs rate/form or other). How can I reach the Financial Examiner in charge of my company?**

Since company assignments rotate periodically, the Office's automated telephone system is designed to assist you in reaching the individual you need. To reach the Life & Health Financial Oversight, Managed Care Section directly, dial (850) 413-3153. An Operator or Secretary will guide you to the individual examiner assigned to your company.

GENERAL INSTRUCTIONS
Section 641.41, F.S. and Rule 4-194.009

1. Each prepaid health clinic (PHC) must file with the Office annually, within 3 months after the end of its fiscal year, a report verified by the oath of at least two officers covering the preceding fiscal year.
2. Each PHC must file with the Office, within 45 days from the quarter end for the first three quarters of the year, quarterly financial statements verified by the oath of at least two officers.
3. Such reports must be on forms prescribed by the Office (Newly created forms in REFS and State forms OIR-A2-949 and OIR-A2-950).

PREPAID HEALTH CLINICS

COMPANY NAME: _____ **NAIC Company Code (If available):** _____

Contact: _____ **Telephone:** _____

REQUIRED FILINGS IN THE STATE OF: Florida

Filings Made During the Year 2012

(1) Check-list	(2) Line #	(3) REQUIRED FILINGS FOR THE ABOVE STATE	(4) NUMBER OF COPIES		(5) DUE DATE	(6) FORM SOURCE**	(7) APPLICABLE NOTES
			*State	NAIC			
I. NAIC FINANCIAL STATEMENTS							
	1	Annual Statement (8 1/2"X14") –	REFS	N/A	90 days from fiscal year end	NAIC	D,E,F,G,H,I,J
	1.1	Printed Investment Schedule detail (Pages E01-E27)	REFS	N/A	90 days from fiscal year end	NAIC	
	2	Quarterly Financial Statement (8 1/2' x 14")	REFS	N/A	45 days from quarter end	NAIC	D,E,F,G,H,I,J
II. NAIC SUPPLEMENTS							
	10	Accident & Health Policy Experience Exhibit	REFS	N/A	90 days from fiscal year end	NAIC	
	11	Actuarial Certification	REFS	N/A	90 days from fiscal year end	Company	L
	12	Investment Risk Interrogatories	N/A	N/A	90 days from fiscal year end	NAIC	
	13,14 15,16	Life Supplemental	N/A	N/A		NAIC	
	17	Long-term Care Experience Reporting Forms	N/A	N/A		NAIC	
	18	Management Discussion & Analysis	REFS	N/A	90 days from fiscal year end	Company	
	19	Medicare Supplement Insurance Experience Exhibit	N/A	N/A		NAIC	
	20	Medicare Part D Coverage Supplement	N/A	N/A	90 days from fiscal year end	NAIC	
	21,22	Property/Casualty Supplement	N/A	N/A		NAIC	
	23	Risk-Based Capital Report	N/A	N/A	N/A	NAIC	
	24	Schedule SIS	REFS-O	N/A	90 days from fiscal year end	NAIC	
	25	Supplemental Compensation Exhibit	REFS-O	N/A	90 days from fiscal year end	NAIC	
III. AUDITED FINANCIAL STATEMENTS							
	51	Accountants Letter of Qualifications	REFS-O	N/A	90 days from fiscal year end	Company	N
	52	Audited Financial Statements	REFS	N/A	90 days from fiscal year end	Company	M
	53	Audited Financial Statements Exemption Affidavit	REFS	N/A			
	54	Independent CPA/Awareness Letter	REFS	N/A	fiscal year end date	Company	R
	55	Notification of Adverse Financial Condition	REFS	N/A	5 Days	Company	P
	56	Report of Significant Deficiencies in Internal Controls	REFS	N/A	90 days from fiscal year end	Company	O
	57	Request for Exemption to File	REFS	N/A	N/A	Company	
IV. STATE REQUIRED FILINGS							
	101	Filings Checklist (with Column 1 completed)	REFS	N/A	90 days from fiscal year end and 45 days from quarter year end	State	J
	102	State Filing Fees	1	N/A	90 days from fiscal year end	Company	C
	103	Disclosure of Material Transactions	REFS	N/A	As Required	Company	Q
	104	Number of Contracts Issued and Outstanding	REFS	N/A	90 days from fiscal year end	State OIR-A2-949	S
	105	Number and amount of Damage Claims for Medical Injury	REFS	N/A	90 days from fiscal year end	State OIR-A2-950	T
	106	Projected balance sheet, operating statement and cash budget	REFS	N/A	90 days from fiscal year end	Company	U
	107	Evidence of adequate insurance	REFS	N/A	90 days from fiscal year end	Company	V

***Column 4 State –REFS indicates that the documents are submitted electronically through REFS, a hard copy is not required and the Adobe Life Cycle forms in REFS need to be completed for the quarterly or annual financial statements as indicated. REFS-O indicates documents that should be uploaded, but are not required.**

NOTES AND INSTRUCTIONS (A-I APPLY TO ALL FILINGS)

A	<p>Required Filings Contact Person: Kotenia Lowe Financial Specialist Life & Health Financial Oversight, Managed Care Section Florida Office of Insurance Regulation (850) 413-5013</p>						
B	<p>Mailing Address:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 33%;"><u>By Mail</u></td> <td style="width: 33%;"><u>Via Hand Delivery</u></td> <td style="width: 33%;"><u>Overnight Mail</u></td> </tr> <tr> <td>Office of Insurance Regulation Attn: Life and Health Financial Oversight 200 East Gaines Street Tallahassee, Florida 32399-0327</td> <td>Office of Insurance Regulation Larson Receptionist Attn: Life and Health Financial Oversight Tallahassee, Florida (850) 413-3153</td> <td>Office of Insurance Regulation Attn: Life &Health Financial Oversight 200 East Gaines Street Tallahassee, Florida 32399-0327</td> </tr> </table> <p>REFS Electronic Submission – www.floir.com REFS link - https://apps.fldfs.com/REFS/Security/LogOn.aspx</p>	<u>By Mail</u>	<u>Via Hand Delivery</u>	<u>Overnight Mail</u>	Office of Insurance Regulation Attn: Life and Health Financial Oversight 200 East Gaines Street Tallahassee, Florida 32399-0327	Office of Insurance Regulation Larson Receptionist Attn: Life and Health Financial Oversight Tallahassee, Florida (850) 413-3153	Office of Insurance Regulation Attn: Life &Health Financial Oversight 200 East Gaines Street Tallahassee, Florida 32399-0327
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C	<p>Filing Fees, Florida Statutes 641.412(1)(b): The \$150.00 Annual Statement Filing Fees should be attached to a letter identifying the regulated entity, and the purpose of the check (filing fee pursuant to 641.412(1)(b), F.S.) and should be submitted to the Florida Department of Financial Services, Revenue Processing Section, P. O. Box 6100, Tallahassee, Florida 32314-6100. A copy of the check and invoice form can be scanned, and uploaded into REFS as evidence of submission to DFS.</p>						
D	<p>Delivery Instructions: Annual and Quarterly Financial Statement filings (with all schedules and exhibits), must be electronically submitted through REFS no later than 5pm on the indicated due date. If the due date falls on a weekend or holiday, then the deadline would be moved to the first business day following the original due date.</p>						
E	<p>Late Filings, Florida Statutes 641.41(2) Companies will be fined for late filings. The company’s license may be suspended if filings are not received timely.</p>						
F	<p>Original Signatures: Original signatures are required on annual and quarterly statements filed by all PHCs. After the jurat page is signed by the officers and notarized, the signed jurat page should be scanned and uploaded as a document in REFS.</p>						
G	<p>Signature/Notarization/Certification: Annual and Quarterly financial statement filings must have at least two original signatures of executive officers whose names appear on the jurat page with a notary seal.</p>						
H	<p>Amended Filings: See NAIC Annual Statement Instructions for guidance on amended filings.</p>						
I	<p>NONE Filings: In the annual statement filed on March 1, a) a disclosure or response must be provided for every item (indicate “none” or “not applicable” if appropriate), and b) the company must not alter the number scheme of the notes.</p>						
J	<p>Filings Checklist Instructions: Attach a Required Filings Checklist to each filing submitted to the Office. Fill in the company name, federal employer identification number, and NAIC company code (if available). In column (1) check off the items being submitted and attach the checklist as the cover page.</p>						
K	<p>Financial statement forms: The annual and quarterly reports shall be filed on the form provided through REFS. NAIC Health Annual and Quarterly Instructions can still be ordered by phoning the NAIC Publication Department at (816) 783-8300.</p>						
L	<p>Statement of Actuarial Opinion, Rule 690-194.009(2)(f) Each PHC licensed to do business in this state shall annually, with its annual statement, submit an actuarial report certified by a qualified independent actuary, that:</p> <ol style="list-style-type: none"> 1. The prepaid health clinic is actuarially sound, which certification shall consider the rates, benefits, and expenses of, and any other funds available for, the payment of obligations of the organization. 						

	<ol style="list-style-type: none"> 2. The rates being charged or to be charged are actuarially adequate to the end of the period for which rates have been guaranteed. 3. Incurred but not reported claims and claims reported but not fully paid have been adequately provided for.
M	<p>Audited Financial Statement, Rule 690-194.009(2)(b): The Audited Financial Report must be filed with this Office within three (3) months after the end of each fiscal year.</p> <p>The Annual Audited Financial Report shall report the financial position of the PHC as of the end of the most recent fiscal year and the results of its operations, cash flows, and changes in capital and net worth for the year then ended in conformity with statutory accounting practices prescribed, or otherwise permitted by the Office. The Annual Audited Financial Report shall include the following:</p> <ol style="list-style-type: none"> 1. Report of independent Certified Public Accountant. 2. Balance sheet reporting admitted assets, liabilities, capital and net worth. 3. Statement of operations. 4. Statement of cash flows. 5. Statement of changes in capital and net worth. 6. Notes to financial statements. These notes shall be those required by the appropriate NAIC Annual Statement instructions and any other notes required by generally accepted accounting principles and shall also include: <ol style="list-style-type: none"> a. A reconciliation of differences, if any, between the Audited Financial Report and the Annual Statement with a written description of the nature of these differences. b. A summary of ownership and relationships of the PHC and all affiliated companies. 7. The financial statements included in the Audited Financial Report shall be prepared in a form and using language and groupings substantially the same as the relevant sections of the Annual Statement of the PHC filed with the Office. The financial statements shall be comparative, presenting the amount as of the current year and the amounts as of the immediately preceding fiscal year end.
N	<p>Accountant's Letter of Qualifications: The accountant shall furnish a Letter of Qualifications to the PHC for filing with the Annual Audited Financial Report. The letter shall state:</p> <ol style="list-style-type: none"> 1. That the accountant is independent with respect to the PHC and conforms to the standards of his/her profession. 2. The background and experience in general, and the experience in audits of PHCs of the staff assigned to the engagement and whether each is an independent Certified Public Accountant. 3. That the accountant understands the annual Audited Financial Report, and his/her opinion thereon will be filed in compliance with the Florida Statutes, and that the Office will be relying on this information in the monitoring and regulation of the financial position of PHCs. 4. That the accountant consents and agrees to make the workpapers available for review by the Office. 5. A representation that the accountant is properly licensed by an appropriate state licensing authority.
O	<p>Report of Significant Deficiencies in Internal Control: Each PHC shall furnish the Office with a written report prepared by the accountant describing significant deficiencies in the PHC's internal control structure noted during the audit. The report on internal control systems of the PHC shall be filed with the Annual Audited Financial Report. The PHC is required to provide a description of remedial actions taken or proposed to correct significant deficiencies, if said actions are not described in the accountant's report. If the accountant does not identify significant deficiencies and no report is issued, attach a document in REFS stating this fact.</p>
P	<p>Notification of Adverse Financial Condition: All PHCs required to furnish the annual Audited Financial Report shall require the independent Certified Public Accountant to report in writing, to the board of directors or its audit committee any determination by the accountant that the PHC has materially misstated its financial condition as reported to the Office as of the balance sheet date currently under examination, or that the PHC does not meet the minimum capital and surplus requirement of the Florida Insurance Code. A PHC who has received such a report shall forward a copy to the Office within 5 business days.</p>
Q	<p>Disclosure of Material Transactions: All PHCs are required to submit with each annual report adequate disclosure of material transactions between the PHC and related parties. A list of the names and residence addresses of all persons responsible for the conduct of its affairs, together with a disclosure of the extent and nature of any contracts or arrangements between such persons and the prepaid health clinic, including any possible conflicts of interest.</p>

R	<p>Independent CPA/Awareness Letter: Designation of independent C.P.A. must be filed by the company's fiscal year end date.</p>
S	<p>The Number of PHC Contracts Issued and Outstanding and the Number of PHC Contracts Terminated As required by Section 641.41(1)(c), Florida Statutes, the annual report shall include the number of PHCs contracts, issued and outstanding, and the number of prepaid health clinic contracts terminated.</p>
T	<p>The Number and Amount of Damage Claims for Medical Injury As required by Section 641.41(1)(e), Florida Statutes, the annual report shall include the number and amount of damage claims for medical injury initiated against the clinic, and if known, any of the providers engaged by it during the reporting year, broken down into claims with and without formal legal process, and the disposition, if any, of each such claim.</p>
U	<p>Projected Balance Sheet, Operating Statement and Cash Budget As required by F.A.C. 69O-194.009(2)(c-e), the annual report shall include a projected balance sheet for the end of the next reporting period, a projected monthly operating statement for the next reporting period and a projected monthly cash budget covering the next reporting period.</p>
V	<p>General Liability and Medical Malpractice As required by F.A.C. 69O-194.004, evidence of the existence of insurance or a plan for self-insurance approved by the Office must be submitted at least 30 days prior to the expiration date of the policy and with each annual report. The Office shall consider the potential general liability and potential malpractice liability of a PHC in determining an appropriate amount of insurance.</p>